



**THE CITY OF SAN DIEGO**

**CITY OF SAN DIEGO  
CITY PLANNING & COMMUNITY INVESTMENT  
ECONOMIC DEVELOPMENT DIVISION**

**FISCAL YEAR 2011  
COMMUNITY DEVELOPMENT BLOCK GRANT  
(CDBG) PROGRAM**

**APPLICATION AND CONTRACTING PROCESS  
HANDBOOK**

## **IMPORTANT NOTICE FOR APPLICANTS**

Every year, the demand for CDBG funds exceeds the amount available to the City of San Diego. The City is therefore committed to funding projects that are ready to proceed immediately after funds are available and those prepared to spend the approved funds within an eighteen-month period. Unspent funds remaining at the end of the subrecipient agreement term may be reprogrammed by the City Council. Plan your projects accordingly.

Please be aware that even if your project is approved, it may be recommended at a smaller level of funding than was requested. Contingency plans for smaller CDBG awards should be developed for your project.

**Finally, these funds, if awarded, are NOT an on-going source of operating support. Even if you receive funding this year, there is no guarantee that approved projects will receive funding in subsequent years.**

## **TABLE OF CONTENTS**

<b>I.</b>	<b>INTRODUCTION</b>	<b>3</b>
<b>II.</b>	<b>GENERAL ELIGIBILITY</b>	<b>3</b>
	<b>A. Eligible Activities</b>	<b>3</b>
	<b>B. Eligible Activity Limited to City Applicants</b>	<b>7</b>
	<b>C. Ineligible Activities</b>	<b>8</b>
	<b>D. Exception</b>	<b>9</b>
	<b>E. National Objectives</b>	<b>9</b>
<b>III.</b>	<b>APPLICATION PROCESS</b>	<b>10</b>
<b>IV.</b>	<b>FUNDING PROCESS</b>	<b>13</b>
<b>V.</b>	<b>CONTRACTING PROCESS</b>	<b>13</b>
<b>VI.</b>	<b>ENVIRONMENTAL CLEARANCES</b>	<b>14</b>
<b>VII.</b>	<b>FEDERAL LABOR STANDARDS PROVISIONS (DAVIS-BACON ACT)</b>	<b>14</b>
<b>VIII.</b>	<b>COMPLIANCE WITH APPLICABLE LAWS, RULES, AND REGULATIONS FOR HUD PROGRAMS</b>	<b>15</b>
<b>IX.</b>	<b>CITY OF SAN DIEGO FY 2010 HUD INCOME LIMITS (L/M DETERMINATIONS)</b>	<b>18</b>
<b>X.</b>	<b>CITY OF SAN DIEGO CDBG-ELIGIBLE CENSUS TRACTS</b>	<b>20</b>

## I. INTRODUCTION

The purpose of this handbook is to provide an explanation of the City of San Diego's Community Development Block Grant (CDBG) Program Application process for FY 2011. This handbook is for informational purposes only. It is not intended to be a full disclosure of all applicable federal, state or local rules, regulations or reporting requirements.

The CDBG Entitlement Communities Program provides federal assistance from the U.S. Department of Housing and Urban Development (HUD) to nearly 1,000 of the largest localities in the country. The statutory primary objective of the CDBG Program is the development of viable urban communities, principally for low/moderate income persons, through:

1. Decent housing
2. Suitable living environment
3. Expanded economic opportunity

Since 1974, the CDBG Program has provided a flexible source of annual funding to communities nationwide. The program offers local governments, with citizen participation, the opportunity to improve development priorities, provided that these projects meet one of three national objectives:

1. Benefit low/moderate-income (LMI) persons, OR
2. Prevent or eliminate slums and blight, OR
3. Meet an urgent need.

The City of San Diego has been receiving CDBG funding from HUD since 1975. The City has the authority to carry out all of its CDBG-related activities or award some or all of the funds to private or public nonprofit organizations, as well as, for-profit entities. The City has used these funds to revitalize neighborhoods, expand affordable housing and economic opportunities, and improve community facilities and services that benefit low/moderate-income persons. The City must use at least 70% of the entitlement for activities that either directly benefit low/moderate-income persons or serves an area where the majority of the residents are low/moderate-income.

Regardless of the eligibility criteria, it should be noted that the City has no designated slum or blighted areas and no Urgent Needs designated by the Federal Emergency Management Agency (FEMA). Therefore, all proposed projects must meet the first national objective (benefit low/moderate-income persons).

## II. GENERAL ELIGIBILITY

For the purposes of this application process, the applicant's proposed CDBG activity must comply with an Eligible Activity **AND** a National Objective as detailed below.

**A. Eligible Activities.** The following criteria should be used to determine whether a CDBG-assisted activity complies with one of the basic eligible activities as required.

- **Acquisition.** May acquire real property in whole or in part by purchase, long-term lease, donation, or otherwise (including land, air rights, easements, water rights, rights-of-way, buildings and other real property improvements, and other interests in real property) for any public purpose. In order to be considered acquisition, a permanent interest in the property must be obtained. Long-term leases are considered to constitute a permanent interest for this purpose, if the lease is for a period of 15 years or more.
- **Disposition.** May pay costs incidental to disposing of real property acquired with CDBG funds, as long as after disposition, the property still meets a CDBG national objective. The property may be disposed through sale, lease, donation, or otherwise. Funds may also be used to pay reasonable costs of temporarily managing such property, until final disposition is complete.
- **Public Facilities and Improvements.** May acquire, construct, reconstruct, rehabilitate, or install public facilities and improvements. (Activities under this paragraph may be directed to the removal of material and architectural barriers that restrict the mobility and accessibility of elderly or severely disabled persons to public facilities and improvements). In the CDBG Program, public facilities and public improvements are broadly interpreted to include all improvements and facilities that are either publicly owned or that are traditionally provided by the government, or owned by a nonprofit, and operated so as to be open to the general public. This would include neighborhood facilities, firehouses, public schools, and libraries. Public improvements include streets, sidewalks, curbs and gutters, parks, playgrounds, water and sewer lines, flood and drainage improvements, parking lots, utility lines, and aesthetic amenities on public property such as trees, sculptures, pools of water and fountains, and other works of art. The regulations specify that facilities that are designed for use in providing shelter for persons having special needs are considered to be public facilities (and not permanent housing), and thus are covered under this category of basic eligibility. Such shelters would include nursing homes, convalescent homes, hospitals, shelters for victims of domestic violence, shelters and transitional facilities/housing for the homeless, halfway houses for run-away children, drug offenders or parolees, group homes for the developmentally disabled, and shelters for disaster victims.
- **Clearance.** May be used for demolition of buildings and improvements; removal of demolition products (rubble) and other debris; physical removal of environmental contaminants or treatment of such contaminants to render them harmless; and movement of structures to another site. Demolition of HUD-assisted housing units may be undertaken only with the prior approval of HUD.
- **Public Services.** Provision of public services (including labor, supplies and materials), including but not limited to those concerned with employment, crime prevention, childcare, health, drug abuse, education, fair housing counseling, energy conservation, welfare (but excluding the provision of income payments), homebuyer down payment assistance, or recreational needs. To be eligible for CDBG assistance a public service must be either a new service or a quantifiable increase in the level of an existing service above that which has been provided by or on behalf of the City in the 12 calendar months before the submission of the action plan. (An exception to this requirement may be made if HUD determines that any decrease in the level of a service was the result of events not within the control of the City.) The amount of CDBG funds used for public services shall not exceed 15% of the City's entitlement amount.

- **Direct Financial Homeownership Assistance.** May provide financial assistance to low- or moderate-income households to assist them in the purchase of a home. The specific purposes for which financial assistance using CDBG funds may be provided are as follows:
  - (1) subsidize interest rates and mortgage principal amounts, including making a grant to reduce the effective interest rate on the amount needed by the purchaser to an affordable level;
  - (2) finance the cost of acquiring property already occupied by the household at terms needed to make the purchase more affordable;
  - (3) pay all or part of the premium (on behalf of the purchaser) for mortgage insurances required by up-front private mortgagee;
  - (4) pay any or all of the reasonable closing costs associated with the home purchase on behalf of the purchaser; or
  - (5) pay up to 50 percent of the down payment required by the mortgagee for the purchase on behalf of the purchaser.
- **Microenterprise Assistance.** A microenterprise is a business having five or fewer employees, one or more of whom owns the business. May facilitate economic development through the establishment, stabilization and expansion of microenterprise businesses. This category authorizes the use of CDBG funds to provide financial assistance of virtually any kind to an existing microenterprise or to assist in the establishment of a microenterprise. It also authorizes the provision of:
  - (1) technical assistance to a new or existing microenterprise or to persons developing a microenterprise, such as advice and business support services; and
  - (2) general support to owners of microenterprises or to persons developing a microenterprise, which could include, but not limited to, child care, transportation, counseling, and peer support programs.
- **Technical Assistance.** Provision of technical assistance to public or nonprofit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or economic development activities.
- **Rehabilitation.** May be used to finance the costs of rehabilitation as detailed below.
  - (1) Eligible types of property are:
    - (a) residential property, whether privately or publicly owned. This includes manufactured housing, when such constitutes part of the community's housing stock;
    - (b) commercial or industrial property, but where such property is owned by a for-profit, rehabilitation under this category is limited to exterior improvements of the building and correcting code violations; and
    - (c) nonprofit-owned, nonresidential buildings and improvements that are not considered to be public facilities or improvements.
  - (2) Eligible types of assistance are:
    - (a) costs of labor, materials, supplies and other expenses required for the rehabilitation of property, including the repair or replacement of principal fixtures and components of the existing structures (e.g., the heating system);
    - (b) grants, loans, loan guarantees, interest supplements and other forms of financial assistance may be provided under this category;

- (c) loans for refinancing existing indebtedness secured by a property being rehabilitated with CDBG funds, if such refinancing is determined by the grantee to be necessary or appropriate to achieve its community development objectives;
  - (d) assistance to private individuals and entities to acquire for the purpose of rehabilitation and to rehabilitate properties for use of resale for residential purposes;
  - (e) installation costs of sprinkler systems, smoke detectors and dead bolt locks, and other devices for security purposes;
  - (f) the costs of initial homeowner warranty premiums and, where needed to protect the City's interest in properties securing a rehabilitation loan, hazard insurance premiums, as well as flood insurance premiums for properties covered by the Flood Disaster Protection Act;
  - (g) costs required to increase the efficient use of water and improvements to increase the efficient use of energy in structures such means as installation of storm windows and doors, insulation, and modification or replacement of heating and cooling equipment;
  - (h) costs of connecting existing residential structures to water distribution lines or local sewer collection lines;
  - (i) costs to remove material and architectural barriers that restrict the mobility and accessibility of elderly and severely disabled persons to building and improvements that are eligible for rehabilitation under this category;
  - (j) the costs of installation or replacement of landscape materials, sidewalks, and driveways when incidental to other rehabilitation of the property;
  - (k) the conversion of a closed building from one use to another (e.g., the renovation of a closed school building to residential use);
  - (l) costs of preserving or restoring properties of historic significance, whether privately- or publicly-owned, (historic properties are those sites or structures that are either listed in or eligible to be listed in the National Register of Historic Places, listed in State or local inventory of historic places, or designated as a State or local landmark by appropriate law or ordinance);
  - (m) the cost of evaluating and treating lead based paint whether alone or in conjunction with other rehabilitation;
  - (n) staff costs and related expenses required for outreach efforts for marketing the program, rehabilitation counseling, screening potential applicant households and structures, energy auditing, preparing work specifications, loan underwriting and processing, inspections, and other services related to assisting owners, tenants, contractors, and other entities who are participating or seeking to participate in rehabilitation-eligible activities; and
  - (o) in some cases, where a business is conducted in a residential unit, it may be necessary to make improvements to the residence in order to conduct the business, such as a child care business, where local requirements dictate that modifications be made.
- **Historic Preservation.** CDBG funds may be used for the rehabilitation, preservation or restoration of historic properties, whether publicly or privately owned. Historic properties are those sites or structures that are either (1) listed in or eligible to be listed in the National Register of Historic Places, (2) listed in a State or local inventory of

historic places, or (3) designated as a State or local landmark or historic district by appropriate law or ordinance. (Historic preservation, however, is not authorized for buildings used for the general conduct of government.)

- **Special Economic Development Activities.** May be used for the following special economic activities:
  - (1) Commercial or industrial improvements carried out by the City or public or private nonprofit subrecipient, including the acquisition, construction, reconstruction, rehabilitation or installation of commercial or industrial buildings, structures, and other real property equipment and improvements.
  - (2) Assistance to private, for-profit entities for an activity determined by the City to be appropriate to carry out an economic development project. This assistance may include, but not limited to, grants, loans, loan guarantees, interest supplements, technical assistance, or any other form. In selecting businesses to assist, the City shall minimize, to the extent practicable, displacement of existing businesses and jobs in neighborhoods.
  - (3) Economic development services in connection with the above subcategories, including but not limited to:
    - (a) outreach efforts to market available forms of assistance;
    - (b) screening of applicants;
    - (c) reviewing and underwriting applications for assistance;
    - (d) preparation of agreements;
    - (e) management of assisted activities; and
    - (f) the screening, referral, and placement of applicants for employment opportunities generated by CDBG-eligible economic development activities. The cost of providing necessary job training for persons filling those positions may also be provided.
- **Non-Profit Organization Capacity-Building.** Activities that increase capacity of neighborhood-based organizations to effectively address their needs and carry out other tasks relative to improving neighborhoods.

**B. Eligible Activity Limited to City Applicants.** Submission of a FY 2011 CDBG Application for following eligible activity is limited to the City's Neighborhood Code Compliance Division and the City's Environmental Services Department. This activity requires HUD approval/acceptance of a comprehensive code enforcement plan developed and implemented by the City.

- **Code Enforcement** - The provision involves the payment of salaries and overhead costs directly related to the enforcement of state and/or local codes. CDBG funds may be used for code enforcement only in deteriorating or deteriorated areas where such enforcement, together with public and private improvements, rehabilitation, or services to be provided, may be expected to arrest the decline of the area. CDBG funds may be used to pay the salaries of inspectors enforcing codes in a blighted area being renewed through comprehensive treatment.

**C. Ineligible Activities.** The following are **not** CDBG eligible activities: Buildings for the general conduct of government (e.g., city hall).

1. General government expenses.



3. Political activities.
4. New housing construction, except under certain conditions.
5. Income payments.

**D. Exception.** The following activities may **not** be funded with CDBG funds, **unless** authorized as a special economic development activity, public services, or program administration:

1. Purchase of construction equipment, fire protection equipment or furnishings and personal property.
2. Operating and maintenance expenses (of public facilities, improvements and services).

**E. National Objectives.** The following criteria should be used to determine whether a CDBG-assisted activity complies with the following national objective as required:

**Benefit to Low/Moderate Income Person.** Activities meeting one of the following criteria will be considered to benefit low- or moderate-income person, **unless there is substantial evidence to the contrary.**

- **Area Benefit Activities.** An activity that benefits all residents in a particular area, where at least 51% of the residents are low- or moderate-income persons. Such an area need not be coterminous with census tracts or other officially recognized boundaries, but the entire area must be served by the activity. **An activity that serves an area that is not primarily residential in character shall not qualify under this criterion.** CDBG regulations required documentation of area boundaries served.
- **Limited Clientele Activities.** An activity which benefits a limited clientele, at least 51% of whom are low- or moderate-income persons or benefit a client presumed to be low- or moderate-income persons. Presumed benefit clients are abused children, battered spouses, elderly persons (age 62 years or older), adults meeting the Census Bureau's current Population Reports definition of "severely disabled", homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers. CDBG regulations require the subrecipient to document the demographics and income levels of clientele provided such activities.
- **Housing Activities.** An activity carried out for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by 51% low- or moderate-income households. CDBG regulations require the subrecipient to document number of households served, number of units completed and demographics and income level of the household occupying the unit.
- **Job Creation or Retention Activities.** An activity designed to create or retain permanent jobs, where at least 51% of the jobs, computed on a full time equivalent basis, involve the employment of low- or moderate-income persons. CDBG regulations require the subrecipient to document one of the following:

- (1) for an activity that creates jobs, the recipient must document that at least 51% of the jobs will be held by, or will be available to, low- or moderate-income persons, and
- (2) for an activity that retains jobs, the recipient must document that the jobs would have been lost without CDBG assistance and that either both the job is known to be held by a low- or moderate-income person or the job can reasonably be expected to turn over within the following two years and that steps will be taken to ensure that it will be filled by, or made available to, a low- or moderate-income person upon turnover.

### **III. APPLICATION PROCESS**

**The FY 2011 CDBG Program Applications are available November 24, 2009. Complete application packets must be submitted to the CDBG Program office by 5:00 p.m., Wednesday, January 6, 2010.**

There are four different applications issued for FY 2011 that may be completed based on the CDBG Eligible Project Activity:

- 1. Capital Improvement Projects (Acquisition, Disposition, Clearance, Public Facilities/Improvements, Rehabilitation and Preservation)**
  - a) No allocation of CDBG funds will be made to a CIP projects of less than \$100,000 unless funding at a lesser amount is necessary to complete a project within one year;
  - b) Documentation of completed bidding process and construction schedule developed must be submitted for all proposed projects; and
  - c) Applicable prevailing federal wage rates and fringe benefits must be taken into consideration in the determination of the total project budget presented for this application process.
- 2. Public Services Projects**
  - No allocation of CDBG funds will be made to Public Service projects of less than \$50,000.
- 3. Community/Economic Development Projects (Direct Homeownership Assistance, Microenterprise Assistance, Technical Assistance, Minor Residential Rehabilitation, Code Enforcement, Special Economic Development, Non-Profit Capacity-Building)**
  - a) No allocation of CDBG funds will be made to Community/Economic Development projects of less than \$50,000; and
  - b) For Minor Residential Rehabilitation projects, applicable prevailing federal wage rates and fringe benefits must be taken into consideration in the determination of the total project budget presented for this application process.
- 4. Community-Based Development Organization Projects**
  - a) No allocation of CDBG funds will be made to Community-Based Development Organization projects of less than \$50,000;

- b) A separate application must be submitted for each proposed Eligible Activity;
- c) For any construction, rehabilitation, alteration, or repair activities, applicable prevailing federal wage rates and fringe benefits must be taken into consideration in the determination of the total project budget presented for this application process;
- d) Only organizations that meet all of the stated requirements for CBDO certification are qualified to complete and submit the FY 2011 CBDO Application;
- e) Submission of a FY 2011 CDBG Application constitutes a request to be certified as a CBDO; and
- f) The CDBG Program will review the application documents and approve or deny the CBDO certification status.

Applicants requesting funding for more than one project must complete and submit a separate application for each project.

**All applicants must attend one session of the application workshop, as applicable, in order to be eligible to submit an application.**

Completed application packets may be submitted by mail or hand delivered to the City's CDBG Program Office. Any applications received after this date and time will not be considered for funding. Faxed, e-mailed, incomplete and/or late applications will not be accepted.

Please refer to the Application Submittal Checklist to ensure your application packet is complete. **DO NOT include program literature or other miscellaneous information in your application packet, other than what is described on the checklist.**

CDBG Program staff will review all applications for eligibility and will provide notification to applicants of any eligibility issues. An appeal period has been included for the first time as part of this application process. Any applicant who feels their application has been wrongly determined to be ineligible by not meeting the application criteria may submit written feedback to the CDBG Program Administrator. The written feedback should include specific details and/or additional documentation that address the ineligibility determination issued. **This appeal process does not provide applicants with an opportunity to replace ineligible project activities with new proposed project activities.**

The following represents a summary timeline for the City's FY 2011 CDBG Application process:

11/24/09	FY 2011 CDBG Applications available
12/01/09	FY 2011 CDBG Application Workshop: 2 sessions 10:00 am - Capital Improvement Projects (CIP) 1:30 pm - Public Services Projects  San Diego Concourse, Rooms 206-209 202 C Street, SD, CA 92101

12/02/09	FY 2011 CDBG Application Workshop: Capital Improvement Projects (CIP) 1 Session (BY APPOINTMENT ONLY) - 2:30 pm  CDBG Program Office 1200 Third Avenue, Suite 1400 San Diego, CA 92101
12/03/09	Application Workshop: Community/Economic Development Projects 1 session (BY APPOINTMENT ONLY) - 2:30 pm @ CDBG Program Office
12/04/09	FY 2011 CDBG Application Workshop: Community-Based Development Organizations (CBDO) Projects 1 session (BY APPOINTMENT ONLY) - 10:00 am @ CDBG Program Office
12/07/09- 12/29/09	FY 2011 CDBG Application technical assistance (one-on-one) available by appointment
12/15/09	FY 2011 CDBG Application Workshop: 2 sessions 10:00 am - Public Services Projects 2:00 pm - Capital Improvement Projects (CIP)  War Memorial Auditorium 2125 Park Blvd. San Diego, CA 92101
12/16/09	FY 2011 Application Workshop: Community/Economic Development Services 1 session (BY APPOINTMENT ONLY) - 2:00 pm @ CDBG Program Office
12/17/09	FY 2011 Application Workshop: Public Services Projects 1 session (BY APPOINTMENT ONLY) - 10:00 am @ CDBG Program Office
01/06/10	FY 2011 CDBG Applications due to CDBG Program Office by 5:00 pm
01/07/10- 01/13/10	CDBG Program staff review of FY 2011 CDBG Applications
01/13/10	Applicable agencies notified of “ineligible” status determinations based on CDBG Program staff review of FY 2011 CDBG Applications
01/13/10- 01/20/10	FY 2011 CDBG Application appeal period
Late JAN/ Early FEB, 2010*	FY 2011 CDBG Application Binders distributed to Council District Offices
FEB, 2010*	Council funding recommendations forwarded to CDBG Program Office
FEB, 2010*	FY 2011 CDBG Program funding recommendations presented to Public Safety and Neighborhood Services (PS&NS) Committee
MAR, 2010*	City of San Diego FY 2011 CDBG Entitlement amount provided by HUD
MAR, 2010*	Public Hearing - FY 2011 CDBG Program funding recommendations presented to City Council for approval
MAR, 2010*	Letter sent to CDBG Applicants regarding FY 2011 CDBG allocations
MAR, 2010*	Draft FY 2011 Annual Action Plan completed
MAR-APR, 2010*	Public Notice: Draft FY 2011 Annual Action Plan public comment period

MAR-APR, 2010*	Draft FY 2011 Annual Action Plan tentatively scheduled to be presented to: 1) Designated Community Planning Groups serving low/mod neighborhoods 2) San Diego Housing Commission
MAR-APR, 2010*	Mandatory FY 2011 Contract Packet Workshop – 1) CIP Projects; 2) Public Services Projects; 3) Community/Economic Development Projects; and 4) Community-Based Development Organization Projects
APR, 2010*	Draft FY 2011 Annual Action Plan presented to PS&NS Committee
05/03/10 or 05/04/10	Draft FY 2011 Annual Action Plan scheduled to be presented to City Council for approval
05/13/10	Final FY 2011 Annual Action Plan completed and submitted to HUD
05/14/10	Deadline for the City to submit the FY 2011 Annual Action Plan due to HUD

\*Tentative (specific dates to be determined)

**Beginning FY 2011, CDBG funding will be allocated to applicants and projects that address the citywide priorities established in the Consolidated Plan. The annual CDBG allocations will no longer be distributed and approved as individual Council District allocations.**

#### **IV. CONTRACTING PROCESS**

After the City Council approves the project allocations of the FY 2011 CDBG funds, a mandatory contract packet workshop will be scheduled. **Funded applicants must attend the contract workshop prior to being allowed to begin the contract execution process. All funded applicants will be required to submit contract packets to the CDBG Program office by a specified deadline.**

Once the required contract packet is submitted, CDBG Program staff will review the documents to verify completeness and to re-affirm eligibility of proposed project activities and/or budgets for any changes presented, in comparison to the information included in the FY 2011 CDBG Application Packet. Contract packets confirmed as meeting project activity and budget requirements will then be forwarded to an assigned Contract Administrator or Project Manager, who will be responsible for administration or management of funded projects.

Organizations whose projects are approved for funding will be required to enter into a contract with the City of San Diego for implementation of the funded activity. This contract will contain provisions, which will ensure compliance with all federal, state, and local laws and regulations. **It should be noted that the City's FY 2011 CDBG contract boilerplate is not subject to revision.**

#### **V. ENVIRONMENTAL CLEARANCES**

All CDBG-funded projects must undergo environmental review in accordance with the National Environmental Policy Act (NEPA). As a result, the NEPA review is required to be completed for all CDBG-funded projects, before written agreements can be executed. The assigned Contract Administrator or Project Manager will initiate this process.

CDBG Program staff and/or Engineering and Capital Projects (ECP) staff will determine the level of environmental processing required. Depending on the type of project, a 20 to 45 day public comment period may be required within the environmental review process. The project and its associated permits may also require approval from other City bodies such as the Planning Commission, Park and Recreation Board, etc.

In addition, funded projects may also require environmental clearance from the City's Development Services Department (DSD). DSD issues certain discretionary permits and provides environmental assessments as required under the California Environmental Quality Act (CEQA).

## **VI. FEDERAL LABOR STANDARDS PROVISIONS (DAVIS-BACON ACT)**

This applies to any construction, rehabilitation, alteration, or repair, including painting, flooring, decoration, in an amount of \$2,000 or more, any part of which is federal money. The prevailing federal wage rates and fringe benefits are effective as of the date of the advertisement for bids. Davis-Bacon wage rate schedule is available on the internet ([www.wdol.gov](http://www.wdol.gov)).

Workers must be paid weekly and certified payrolls submitted in the prescribed format. The payrolls must include details of each worker's job classification, hours worked, and wages and benefits paid. Certified payrolls must be reviewed as soon as they are received and compared to the appropriate federal wage decision. Any discrepancies must be resolved immediately.

Workers must be interviewed on the job site regarding appropriate job classification and wage and benefits received. City staff will coordinate with subrecipients when scheduling worker interviews. Employee interviews must be compared to the appropriate federal wage decision. Any discrepancies must be resolved immediately.

## **VII. REIMBURSEMENT PROCESS**

An allocation of CDBG funds does not authorize the implementation of project services or expenditure accrual. Only an executed written agreement or a memorandum of understanding (MOU) with the City of San Diego authorizes these activities. **Any project services provided, or expenditures accrued and/or incurred, prior to the contract/MOU execution date will not be eligible for reimbursement with CDBG funds.** Funds are provided to subrecipients on a reimbursement basis, which requires submittal of supporting documentation of all expenses incurred. Depending upon the type of activity, programmatic reports detailing project activities completed will be required to be submitted with all reimbursement requests. These reports are also reviewed for eligibility, completeness, and accuracy.

Assigned City Contract Administrators and Project Managers are required to review all reimbursement requests, programmatic reports, and supporting documentation for eligibility, completeness and accuracy, prior to approving the reimbursement requests for processing. Only

those items included in the approved budget, or through an approved budget amendment, will be eligible for reimbursement.

After the Contract Administrator or Project Manager approves a reimbursement payment, the request is forwarded electronically to the City Comptroller's office via the City's new accounting system. Final payment approvals are authorized through their office, which is responsible for issuing all payments to subrecipients.

## **VIII. COMPLIANCE WITH APPLICABLE LAWS, RULES, AND REGULATIONS FOR HUD PROGRAMS**

CDBG programs are subject to numerous Federal and local requirements. This includes, but is not limited to those that are listed below. Additional requirements can be found in the CDBG regulations on HUD's website ([www.hud.gov](http://www.hud.gov)) and the City's CDBG Program website ([www.sandiego.gov/cdbg](http://www.sandiego.gov/cdbg)). Applicants are encouraged to familiarize themselves with these requirements to ensure their organization has the adequate administrative systems in place.

- **24 CFR Part 570, as amended** - The regulations governing the Community Development Block Grant Program.
- **Fair Housing Act** - Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18), and disability.
- **24 CFR Part 1 and 6, Public Law 90-284, Fair Housing Act** - The regulations issued following Title VI of the 1964 Civil Rights Act (as amended by Executive Orders 11246, 11375, and 12086) and **Section 109** of the 1975 Housing and Community Development Act that prohibits discrimination in HUD programs based on sex, race, color, national origin, and religion and administer all programs and activities in a manner to affirmatively further the policies of the Fair Housing Act.
- **24 CFR Part 7 and 41, CFR Part 60** – The regulations on equal employment opportunity without regard to race, sex, color, religion, age, national origin, and disability in federally assisted construction projects.
- **ADA Compliance** – Shall comply with the applicable provisions of the Americans with Disabilities Act (42 U.S.C. 12101-12213) and implementing regulations at 28 CFR Part 35.
- **Section 504 of the Rehabilitation Act of 1973, 24 CFR Part 40 and 41** - The regulations that set forth policies and procedures for the enforcement of standards and requirements for accessibility to individuals with disabilities. The Architectural Barriers Act of 1968 and the American with Disabilities Act (ADA) provide additional laws on accessibility and civil rights to individuals with disabilities.
- **Age Discrimination Act of 1975 (42 U.S.C. 6101)** - The regulations that prohibit discrimination on the basis of age.
- **24 CFR Part 135** – Regulations outlining requirements of Section 3 of the Housing and Urban Development Act of 1968 providing for economic opportunities for low and very low

income local residents. All projects funded with CDBG funds must comply with Section 3 of the Housing and Urban Development Act of 1968, revised, requiring that to the greatest extent feasible opportunities for training and employment be given to low and moderate-income persons residing within the City of San Diego, and that contracts or works in connection with the project be awarded to eligible business concerns which are located in or owned in substantial part by persons residing in the City of San Diego. Special documentation is required for funding over \$100,000.

- **29 CFR Part 3 and 5** - The regulations on labor standard provisions that include the payment of prevailing wages on federally assisted projects as mandated by the Davis-Bacon Act and the Contract Work Hours and Safety Standards Act. **CFR 24 Part 70** provides information on the use of volunteers.
- **Copeland “Anti-Kickback” Act (18 U.S.C. 874 and 40 U.S.C. 276c)** – The regulations on contracts for construction or repair awarded by subrecipients shall include a provision for compliance with the Copeland “Anti-Kickback” Act.
- **24 CFR Part 58** – The regulations prescribing the Environmental Review procedure under the National Environmental Policy Act of 1969.
- **National Flood Insurance Act of 1968, 24 CFR Part 55 under Executive Order 11988** – The regulations for proposed projects and properties located in a floodplain.
- **36 CFR Part 800** – The regulations outlining the procedures for the protection of historic and cultural properties.
- **Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970** – These policies provide for displacement, relocation assistance, and real property acquisition as defined by 42 U.S.C. 4601 (URA) (42 U.S.C. 4601), and implementing regulations issued by the Department of Transportation at 49 CFR Part 24 and Section 104(d) of the Housing and Community Development Act of 1974 (42 U.S.C. 5304d).
- **Residential Lead Based Paint Hazard Reduction Act of 1992** - The regulations implemented by 24 CFR Part 35, Subpart B imposes certain requirements on disclosure of lead base paint hazards.
- **24 CFR Part 24** – The regulations that prohibit use of debarred or suspended contractors on federally assisted projects and Drug Free Workplace requirements; issued according to Executive Order 12459.
- **24 CFR Part 84 and OMB Circular A-110** – Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Non-Profit Organizations. These regulations include the Conflict of Interest provision 24 CFR 84.42 and 570 as it applies to procurement.
- **OMB Circular A-87** – Establishes principles and standards for determining allowable costs under Federal grants.
- **OMB Circular A-122** – The regulations that identify cost principals for non-profits.
- **OMB Circular A-133** – The regulations concerning annual audits for agencies receiving federal awards. This includes the single audit requirement for agencies that expend \$500,000 or more of federal awards during the fiscal year.
- **HUD requirements** - All other required reports, circulars, and procedures when applicable.
- **Administrative Procedures** – The rules issued by the City in relation to process and procedures.
- **Insurance** – The City requires all entities receiving funding to provide proof of insurance. A handout of these requirements will be distributed at the application workshops.



To find the Code of Federal Requirements (CFR), OMB Circulars, and Executive Orders go to these websites:

CFR: [www.gpoaccess.gov/cfr/index.html](http://www.gpoaccess.gov/cfr/index.html)

OMB Circulars: <http://www.whitehouse.gov/omb/circulars/>

Executive Orders: [www.archives.gov/federal\\_register/executive\\_orders/executive\\_orders.html](http://www.archives.gov/federal_register/executive_orders/executive_orders.html)

HUD Website: [www.hud.gov](http://www.hud.gov)

City CDBG Website: [www.sandiego.gov/cdbg](http://www.sandiego.gov/cdbg)

## IX.

### City of San Diego LMA-CDBG Eligible 2000 Census Tracts

To find if an address is in an eligible census tract, access the website below, enter the address and compare with list.

[http://factfinder.census.gov/servlet/AGSGeoAddressServlet?\\_programYear=50&\\_treeId=420&\\_lang=en&\\_sse=on](http://factfinder.census.gov/servlet/AGSGeoAddressServlet?_programYear=50&_treeId=420&_lang=en&_sse=on)

District 1		
	Census Tract	L/M Pop %
1	83.05	64.75
2	170.35	51.48
District 2		
	Census Tract	L/M Pop %
1	51.00	82.10
2	52.00	67.42
3	53.00	67.47
4	56.00	76.61
5	57.00	74.36
6	58.00	71.26
7	59.00	56.93
8	62.00	62.21
9	65.00	58.72
10	66.00	82.78
11	75.01	56.00
District 3		
	Census Tract	L/M Pop %
1	9.00	70.20
2	10.00	56.11
3	11.00	55.68
4	12.00	71.04
5	13.00	65.50
6	15.00	58.67
7	16.00	76.27
8	17.00	71.05
9	18.00	68.82
10	21.00	67.21
11	22.01	87.32
12	22.02	86.43
13	23.01	76.68
14	23.02	82.52
15	24.01	77.49
16	24.02	82.83
17	25.01	77.27
18	25.02	60.29

District 5		
	Census Tract	L/M Pop %
1	83.59	56.76
2	207.09	57.14
3	207.10	75.00
4	208.01	52.38
District 6		
	Census Tract	L/M Pop %
1	86.00	73.53
2	87.01	53.89
3	88.00	59.05
4	91.02	53.69
5	92.01	62.86
District 7		
	Census Tract	L/M Pop %
1	27.02	58.12
2	27.03	57.87
3	27.07	87.14
4	27.08	87.72
5	27.09	88.65
6	27.10	77.49
7	28.01	57.14
8	28.03	61.04
9	29.04	60.51
10	29.05	55.56
11	94.00	61.04
12	95.08	68.53
District 8		
	Census Tract	L/M Pop %
1	36.01	81.69
2	36.02	83.86
3	36.03	85.44
4	39.01	81.55
5	39.02	82.63
6	40.00	86.09
7	41.00	75.65
8	45.01	75.47

19	26.01	80.84
20	26.02	77.90
21	28.03	61.04
22	34.01	57.62
23	44.00	55.61
23	44.00	55.61
<b>District 4</b>		
1	27.06	66.69
2	30.04	70.52
3	31.01	53.47
4	31.03	55.21
5	31.11	70.18
6	31.12	52.37
7	32.01	56.68
8	33.01	69.70
9	33.02	78.82
10	33.03	79.62
11	34.01	57.62
12	34.04	84.86
13	35.01	81.89
14	35.02	73.43

9	45.02	75.34
10	46.00	66.93
11	47.00	88.61
12	48.00	90.22
13	49.00	83.38
14	50.00	78.22
15	51.00	82.10
16	100.05	67.18
17	100.09	73.14
18	100.10	51.55
19	100.12	77.20
20	100.13	84.74
21	100.15	76.50
22	101.03	67.13
23	101.06	66.19
24	101.07	53.37
25	101.11	63.23
26	101.12	72.31
27	133.08	98.73

**X.**

**FY 2010  
HUD INCOME LIMITS  
FOR CITY OF SAN DIEGO**

<b>FAMILY SIZE</b>	<b>EXTREMELY LOW ANNUAL INCOME (&lt;30% of median)</b>	<b>VERY LOW ANNUAL INCOME (&lt;50% of median)</b>	<b>LOW TO MODERATE ANNUAL INCOME (&lt;80% of median)</b>
1	\$0 - \$17,350	\$17,351 - \$28,900	\$28,901 - \$46,250
2	\$0 - \$19,850	\$19,851 - \$33,050	\$33,051 - \$52,900
3	\$0 - \$22,300	\$22,301 - \$37,150	\$37,151 - \$59,500
4	\$0 - \$24,800	\$24,801 - \$41,300	\$41,301 - \$66,100
5	\$0 - \$26,800	\$26,801 - \$44,600	\$44,601 - \$71,400
6	\$0 - \$28,750	\$28,751 - \$47,900	\$47,901 - \$76,700
7	\$0 - \$30,750	\$30,751 - \$51,200	\$51,201 - \$81,950
8	\$0 - \$32,750	\$32,751 - \$54,500	\$54,501 - \$87,250

**NOTE: The HUD Income Limits for the City of San Diego will be updated for FY 2011.**